

**A Special Report
to the the California Postsecondary
Education Commission on
STATE SUPPORT OF CALIFORNIA
COMMUNITY COLLEGES**

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**CALIFORNIA POSTSECONDARY
EDUCATION COMMISSION**

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CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
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This report was unanimously endorsed by the California Postsecondary Education Commission on April 30, 1984. The Commission called particular attention to the urgency of securing adequate financial support for the California Community Colleges.

Again this year, Community College funding is the most troublesome higher education budget issue facing California. The bitter dispute over student charges is resolved by recent legislation, but the level of college funding for 1984-85 remains uncertain. Unless State General Fund support is increased substantially above that contained in the Governor's Budget, the State will jeopardize its long-term investment in access and quality in its Community Colleges

The 1984-85 Governor's Budget takes two essential steps toward eventual restoration of excellence with its proposals for the University and the State University. The third essential step, still to be taken, is the provision of adequate funding for the Community Colleges.

The Commission has always advocated adequate support for the Community Colleges. Its serious concerns over particular policies and practices -- roles and missions, for example, or admissions and counseling -- will not be relieved by simply squeezing college budgets. Both the Legislature and the Board of Governors are considering measures to improve current practices. Immediate solutions cannot be expected. But the Community Colleges must not be allowed to deteriorate while solutions are being deliberated. No one believes the colleges should be dismantled or their existing vital services curtailed -- yet this will be the result unless needed funds are added to those proposed in the Governor's Budget.

Both funding levels and substantive proposals in the Governor's Budget encourage belief that public higher education in California is emerging from recent years of fiscal stress to a future as distinguished as its past. The Governor's call for a return to excellence is evidenced by proposals for the University and State University that fund enrollment increases, recognize inflation, and restore recent reductions. In sharp contrast, the budget proposals for the Community Colleges do not suggest a return to excellence. The Governor's proposals were developed in late 1983 in a context of pervasive uncertainty over student fees. Resolution of this issue in 1984 -- after the budget was submitted -- opens the way for the Governor and the Legislature to include the Community Colleges in the effort to return to excellence. All three public segments must build toward excellence together. This cannot happen if one essential element is allowed to erode and the Community Colleges are that essential third element:

- Nearly 70 percent of recent high school graduates who enter public higher education in California enroll as freshmen in the Community Colleges.
- The colleges serve the vast majority of low-income and minority students in the State, providing training in both academic and vocational subject areas.
- Each year more than 50,000 Community College students transfer to four-year institutions within the State.

The Community Colleges have been weakened by inflation. Over the past five years, the colleges have lost 19 percent of their buying power per student. Both the level and quality of instruction and services have suffered.

- Instruction - Measures of both quality and quantity show serious erosion. The number of courses offered have dropped substantially in each of the past two years. Fall enrollments have dropped 13 percent, from 1,451,000 in 1981 to 1,241,000 in Fall 1983. Class size increased in the many districts that could not afford to fill faculty vacancies. Lack of funds meant that essential equipment could not be replaced, repaired, or acquired as necessary tools for learning, particularly in the emerging high technology areas that should be a major State priority.
- Support Services - Many colleges have reduced their counseling, learning resources, student services, and other support staff because of recent funding limitations. Staff reductions were, in many instances, coupled with reductions in hours of services. The results: delayed counseling appointments for all students, reduced access to learning resources for evening and off-campus students, and the elimination or reduction of counseling and support services for special students such as reentry women.

To halt this erosion, the Community Colleges need more money than the Governor's Budget proposes. How much more? It is difficult to find agreement on a specific dollar figure that represents "adequate" funding. Clearly, the colleges should be able to maintain their support per student at levels that offset inflation. Adequate funding for inflation is also necessary to implement equalization procedures that reduce funding disparities among districts. If there is no single right answer, a range of informed responses is possible based on current law, projected inflation, and assumed enrollment growth. As the attached budget analysis shows, adequate 1984-85 support will require at least \$67 million and perhaps as much as \$135 million in additional funding.

- \$67 million would provide sufficient funding to offset projected inflation for 1984-85, to restore enrollments to 1982-83 levels, and to allow some equalization of revenues per student among districts. This level would provide per-student support at the equivalent of 1983-84 levels and thus halt further erosion of Community College instructional programs and services.
- \$116 million, as proposed by the Chancellor, would offset inflation for 1983-84 and 1984-85, provide funding for equalization, restore enrollments to 1982-83 levels and provide for a small amount of enrollment growth in colleges that did not lose enrollment this year.
- \$135 million would fully fund for both 1983-84 and 1984-85 the provisions of SB 851 (Statutes of 1983) which is the current financing mechanism for the Community Colleges. This level of funding would offset inflation for two years and fund enrollment growth of 2 percent above 1982-83 levels.

None of these proposals substantially expands the scope or nature of Community College activities. Any one of them would simply halt erosion and allow the colleges to meet a few of their most critical needs.

This current funding issue is as critical as the dispute over fees last year. It is an issue that cannot be resolved by reallocation among the segments. Robbing Peter to pay Paul would be a step backward and a return

to the mediocrity of "across-the-board" reductions of recent years. California deserves better. All California public higher education will benefit if the Governor's budget proposals for restoring recent budget cuts, for adequate funding to offset inflation, and for recognizing projected enrollment growth are extended to include the Community Colleges. This third step is necessary and must be taken soon. Budget stability for the colleges is essential if they are to continue their long-term commitment to access and quality education for more than a million California citizens.

FISCAL FACT SHEET:

State Support of Community Colleges

- State and Local Support and Student Fees per full-time-equivalent student, basically the total support for educational and administrative expenditures for all three segments of public postsecondary education, was 16 percent above the national average in 1980-81. These expenditures are now 1 percent below the national average.
- State and local appropriations per Community College student (excluding student fees) have increased by only 4.1 percent since 1981-82, despite a 22.2 percent increase in inflation as measured by the Higher Education Price Index since that time.
- A survey conducted by the National Association of College and University Business Officers in 1982-83 indicates that the total expenditures per full-time-equivalent credit student in California was 18.6 percent below the national average and 13.1 percent below all western states. Since the California Community Colleges received no revenue increases in 1983-84, this gap is certain to have increased.

General Apportionment Funding Comparisons of 1984-85 Options with 1982-83 and 1983-84 Actual and Authorized Levels of Funding

| | 1982-83 | | 1983-84 | | Options for 1984-85 | | |
|-----------------------------------------------|----------|---------------------|----------|-------------------|------------------------------|----------------------|--------------------------|
| | Actual | Authorized (SB 851) | Actual | Governor's Budget | 6% Above Actual 1983-84 Base | Chancellor's Request | Authorized SB 851 AB 1XX |
| General Apportionments (millions) | \$ 1,405 | \$ 1,523 | \$ 1,403 | \$ 1,487 | \$ 1,554 | \$ 1,604 | \$ 1,622 |
| ADA | 711,099 | 725,320 | 680,581a | 711,100b | 711,100b | 715,250c | 725,320 |
| Revenue per ADA | \$ 1,975 | \$ 2,100 | \$ 2,061 | \$ 2,091 | \$ 2,185 | \$ 2,242 | \$ 2,236 |
| Revenues: | | | | | | | |
| Local Property Tax Revenues | \$ 394.6 | \$ 396.3 | \$ 396.3 | \$ 450.0 | \$ 450.0 | \$ 450.0 | \$ 450.0 |
| State General Funds | 1,011.8 | 1,127.1 | 1,006.6 | 962.3 | 1,029.0 | 1,073.3 | 1,097.0 |
| Student Fees | -0- | -0- | -0- | 75.0 | 75.0 | 75.0 | 75.0 |
| 1984-85 Difference from the Governor's Budget | | | | | +\$ 66.7 | +\$ 116.5 | +\$ 134.7 |

a. 1983-84 actual ADA based on first principal apportionment.

b. Represents restoration of ADA to the 1982-83 level.

c. Allows for enrollment growth of 0.6 percent for districts which did not lose enrollment in 1983-84.

Sources: Office of the Legislative Analyst and Community Colleges Chancellor's Office.